UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JAY S. WALKER and ANDREW A. VAN LUCHENE

Appeal No. 2005-1570
Application No. 09/045,036

ON BRIEF

Before THOMAS, RUGGIERO, and NAPPI, **Administrative Patent Judges**.

NAPPI, **Administrative Patent Judge**.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 of the final rejection of claims 1 through 36. For the reasons stated *infra* we will not sustain the examiner's rejection of claims 1 through 36; however, we enter a new grounds of rejection accordance with 37 CFR § 41.50(b).

THE INVENTION

The invention relates to facilitating the purchase of fractional lottery tickets. A controller determines a monetary value, such as the change due to a customer from the purchase of a product and allocates a portion of a lottery ticket to the person based upon the monetary value. See page 4 of appellants' specification.

Claim 1 is representative of the invention and is reproduced below:

> 1. A method for facilitating the purchase of fractional lottery tickets using a point-of-sale terminal, comprising:
> determining a monetary value;
> allocating a portion of a ticket, the portion being based on the monetary value;
> outputting a ticket identifier that identifies the ticket and a portion identifier that identifies the allocated portion of the ticket; and
> storing the ticket identifier and the portion identifier.

THE REFERENCES

The references relied upon by the examiner are:

Storch et al. (Storch)	5,548,110	Aug. 20, 1996
Roberts	5,772,510	Jun. 30, 1998 (filed Oct. 26, 1995)

"Heads I Win, Tales You Lose", The Economist, (Economist) June 13, 1992, Page 74

THE REJECTIONS AT ISSUE

Claims 1 through 24 stand rejected under 35 U.S.C. § 103 as being obvious over Storch in view of Roberts and Economist. The examiner's rejection is set forth on pages 4 through 18 of the answer. Claims 21 through 36 stand rejected under 35 U.S.C. § 103 as being obvious over Storch in view of Roberts. The examiner's rejection is set forth on pages 18 through 24 of the answer. Throughout the opinion we make reference to the briefs and the answer for the respective details thereof.

OPINION

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of obviousness relied upon by the examiner as support for the rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision, appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

With full consideration being given to the subject matter on appeal, the examiner's rejections and the arguments of appellants and the examiner, for the reasons stated *infra* we will not sustain the examiner's rejections of claims 1 through 36 under 35 U.S.C. § 103.

On page 14 of the brief, appellants in describing the "[a]dvantages of Independent Claim 1" state:

> As discussed in the present application and its parent applications incorporated by reference therein, by *allocating a portion of a ticket,*

> a 'fractional ' lottery ticket may be created and provided, e.g., to a custome.
> Because *the portion of the ticket which is allocated* is *based on a monetary value*, the portion of the ticket that is allocated (and thus the value of the fractional lottery ticket) is tied to some monetary value, such as an amount paid by a customer. Such an amount paid could, e.g., dictate the size of the portion of the ticket, and thus the corresponding value of the ticket if it is a winning ticket. For example, for $0.26, the customer may be sold a 26% share of a $1 lottery ticket.

In response, on page 28 of the answer, the examiner states: "it is noted that the features upon which Appellant[s] relies (e.g., 'a 26% share of a $1 lottery ticket ...." etc.) are not recited in rejected claim 1." Appellants reply, on page 3 of the reply brief, stating they were only presented as examples.

We concur with the examiner even though it appears from the record that the examiner has not accurately determined the scope of the claim limitation "allocating a portion of a ticket." In analyzing the scope of the claim, office personnel must rely on appellants' disclosure to properly determine the meaning of the terms used in the claims. ***Markman v. Westview Instruments, Inc.***, 52 F3d 967, 980, 34 USPQ2d 1321, 1330 (Fed. Cir. 1995). "[I]nterpreting what is *meant* by a word in a claim 'is not to be confused with adding an extraneous limitation appearing in the specification, which is improper.'" (emphasis original) ***In re Cruciferous Sprout Litigation,*** 301 F.3d 1343, 1348, 64 USPQ2d 1202, 1205, (Fed. Cir. 2002) (citing ***Intervet America Inc v. Kee-Vet Laboratories Inc.,*** 12 USPQ2d 1474, 1476 (Fed. Cir. 1989. Initially we note that appellants' specification does not define the term "a portion of a ticket." We find, based upon the appellants' specification, the portion of the ticket refers to a portion of

the value of the ticket and not a portion (field) on the physical paper the ticket is printed. The examiner's rejections and appellants' argument have been addressing this limitation as "allocating a less than one fractional portion of a ticket" (underlined statement does not exist in the claim) and we do not find the claim to be so limited. The preamble of claim 1 includes the field of use limitation "[a] method for facilitating the purchase of fractional lottery tickets." However, nowhere else in the claim are fractional lottery tickets discussed. Further, we note that 1/1, 2/2, 3/3 etc. are all fractions, which equal 1. Whereas we recognize that the scope of claim 1 includes the situations where the portion of the lottery ticket is a fraction, less than one, of the value of the lottery ticket, we consider the scope of claim 1 to also include the situation where the "portion of the ticket" is 1, the whole value of the ticket. In appellants' specification, there are numerous examples where allocated portions are fractions less than one; as appellants' state these are just examples. Appellants' disclosure is to a method whereby the change from the sale is applied to purchase of an interest in a lottery ticket (see pages 6 and 7). There is no disclosure that the change due to the user has to be less than the full value of the lottery ticket, e.g. when $1 in change is due a $1 lottery ticket is issued. Thus, we find the scope of claim 1's limitation of a "portion of a ticket" to include the full value of the lottery ticket and fractional values less than the full value of the lottery ticket.

Appellants argue, on page 17 of the brief, that contrary to the examiner's assertions that many elements of the claims are "suggested" by Storch but not

explicitly recited, Storch does not suggest the limitation of allocating a portion of a ticket. Additionally, appellants argue on pages 22 through 24 of the brief that there is no motivation to combine the references as asserted by the examiner. Appellants argue, with respect to examiner's stated motivation to combine Storch and Roberts that:

> "[P]roviding a means for sending ticket completion information" [examiner's stated motivation on pages 5 and 6 of answer], would not cause one to seek out optimal encoding of information in bar codes, much less the particular method of Storch. Even if the bar codes on the tickets of Roberts were encoded using methods of Storch, this has nothing to do with sending ticket completion information. At best it involves *what* the ticket completion information is: a particular kind of bar code.
>
> Further with respect to reason (a), the second motivation, "providing a means for determining a monetary value" [the examiner's motivation for combining Economist], would not cause one to seek out optimal encoding of information in bar codes, much less the particular method of Storch. In fact, there is no way in which bar codes appear to fit with the system disclosed in The Economist.
>
> With respect to reason (b), the first combination (Storch and Roberts) does not further the proposed motivation of "providing a means for sending ticket completion information." The bar code formats of Storch and the encoding and decoding techniques of Storch, do not "provide a means for sending" anything. (emphasis original)

The examiner on pages 28 through 33 of the answer, responds to appellants' arguments by referring to numerous figures in Storch, which the examiner asserts, suggest the claim elements. The examiner states on page 29:

> In this case per claim 1, Storch (FIG.1; FIG. 2; FIG 22; FG. 24; FIG. 25; FIG. 28; FIG. 29; FIG. 31; FIG. 32; FIG. 34; FIG. 50; col. 6, ll. 26-48; col. 8, ll. 17-40; col. 13, ll. 27-30; col. 70, ll. 50-64; and col. 132, ll 33-50) shows elements that suggest:
>
> A method for facilitating the purchase of fractional lottery tickets using a point-of-sale terminal, comprising: determining a monetary value; allocating a portion of a ticket, the portion being

> based on the monetary value; outputting a ticket identifier that identifies the ticket and a portion identifier that identifies the allocated portion of the ticket; and storing the ticket identifier and the portion identifier.
>
> For example, Storch (col. 132, ll. 33-50) discloses: "*Bar Coded Currency Serial Numbers ... a specific format of BCB coding for Random ID numbers is described using currency as an example ... and other objects may be similarly barcoded.*"

In the statement of the rejection, on page 5 of the answer, the examiner states that one would be motivated to combine Storch, Roberts "because such combination would have provided means for '[sending] ticket completion information necessary to provide a completed lottery ticket.'" Further, the examiner states that one would be motivated to modify Storch with the Economist as such a combination would provide means for determining a monetary value. The examiner uses similar rationale to support the rejections of claims 1 through 36.

We disagree with the examiner's rationale. The examiner bears the initial burden of establishing a ***prima facie*** case of obviousness. ***In re Oetiker,*** 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). ***See also In re Piasecki***, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). It is the burden of the examiner to establish why one having ordinary skill in the art would have been led to the claimed invention by the express teachings or suggestions found in the prior art, or by the implication contained in such teachings or suggestions. ***In re Sernaker*** 702 F.2d 989, 995, 217 USPQ 1, 6 (Fed. Cir. 1983). "The motivation, suggestion or teaching may come explicitly from statements in the prior art, the knowledge of one of ordinary skill in the art, or, in

some cases the nature of the problem to be solved." ***In re Huston*** 308 F.3d 1267, 1278, 64 USPQ2d 1801, 1810 (Fed. Cir. 2002, citing ***In re Kotzab*** 217 F.3d 1365, 1370, 55 USPQ 1313, 1317 (Fed. Cir. 2000)).

We do not find that Storch teaches or suggests anything having to do with the sale or allocation of portions of lottery tickets. Storch teaches a method of creating barcodes. See the abstract. Many of the figures recited by the examiner are examples of barcodes. Storch does teach that the barcodes can be used on lottery tickets. See figure 22 and description on column 13, line 27 though 30 columns 66 through 69. However, Storch teaches that the barcode is used to enhance security. Thus, we find no teaching or suggestion in Storch directed to allocating portions of lottery tickets. For this reason alone the examiner's rejection is deficient.

Further, the Economist teaches a system where a shopper gambles their change from a purchase. If the shopper wins, any change is rounded up to an even dollar amount; if the shopper loses, the change is rounded down to an even dollar amount. We find no teaching or suggestion directed to allocating portions of lottery tickets.

Roberts teaches a method which makes use of lottery tickets that do not have all the information printed on the ticket until the sale of the lottery ticket. As explained *infra*, we find that Roberts anticipates at least two of appellants' claims.

However, as our application of Roberts is significantly different than expressed by the examiner we designate it as a new grounds of rejection. Nonetheless, we find no suggestion in Roberts to suggest a modification to include teachings of either Storch or Economist. Thus, we find that the examiner has failed to present a ***prima facie***, and we will not sustain the examiner's rejection of claims 1 through 24 under 35 U.S.C. § 103 as being obvious over Storch in view of Roberts and Economist or the examiner's rejection of claims 21 through 36 under 35 U.S.C. § 103 as being obvious over Storch in view of Roberts.

New Grounds of rejection pursuant to 37 CFR § 41.50(b)

We apply a new grounds of rejection against representative independent claims 1 and 25. We leave it to the examiner to consider whether similar rejections apply to the other claims in the application.

We reject claim 1 under 35 U.S.C. § 102 as being anticipated by Roberts. Roberts teaches a lottery ticket point of sale device; see figure 7. The device has a mechanism to accept currency at items 48 and 50. Roberts teaches "[t]he payment indication circuit 50 provides an indication of the amount of money inserted into slot 48 by the purchaser. If the proper price has been paid, printer 19 prints the ticket completion information 20a, 20b..." See column 6, lines 60-65. We consider the payment indication circuit to perform the claimed "determining a monetary value" step. Further, we consider the output of the ticket to the user to be the clamed step of "allocating a portion of a ticket". As identified *supra*,

we consider the scope of the claimed "portion" to include the whole value of the ticket. Thus delivering a ticket to the purchaser in response to receiving the proper fee meets the claimed "allocating a portion." Roberts' teaches that the paper ticket includes a ticket identifier (unique barcode 16 and 20) along with information identifying the value of the ticket full portion (see information 20b, which identifies $1.00), which we consider to meet the claimed outputting a ticket identifier portion. Further, Roberts teaches that files at the lottery computer are updated with the ticket information, which we consider to meet the claimed storing step. See column 4, lines 59-60.

We reject claim 25 as anticipated by Roberts. Claim 25 includes the limitations "maintaining a supply of tickets, each ticket having an unallocated portion thereof; and acquiring an additional ticket." Roberts teaches that lottery tickets are sold in point of sale machines that maintain a supply of tickets, see figures 6 and 7. As the tickets in the machine are not sold, they, by their very status of being unsold or unallocated, contain unallocated portions i.e. the whole ticket, which includes all portions, is unallocated. Further, Roberts teaches that lottery tickets are distributed to locations where they are sold, i.e. the locations where lottery tickets are sold acquire additional tickets. See column 1, lines 11-13.

Remand

Appellants have noted that this appeal is related to the appeal in application 09/107,971 (hereinafter '971 application) and that the claims in the two applications are similar. We note that the examiner has re-opened prosecution in the '971 application. We remand this application to the examiner to consider whether the art and rejections in the '971 application are applicable to this application, to consider whether additional art and rejections apply to the claims in this application and to consider whether the rejection we now enter under 37 CFR § 41.50(b) should apply to other claims in the application.

Conclusion

This decision contains a new ground of rejection pursuant to 37 CFR § 41.50(b) (effective September 13, 2004, 69 Fed. Reg. 49960 (August 12, 2004), 1286 Off. Gaz. Pat. Office 21 (September 7, 2004)). 37 CFR § 41.50(b) provides "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review."

37 CFR § 41.50(b) also provides that the appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

> (1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the

> examiner, in which event the proceeding will be remanded to the examiner. . . .
>
> (2) *Request rehearing*. Request that the proceeding be reheard under § 41.52 by the Board upon the same record. . . .

We will not sustain the examiner's rejection of claims 1 through 36 under 35 U.S.C. § 103. The decision of the examiner is reversed. However, we enter a new grounds of rejection against claims 1 and 25 under 35 U.S.C. § 102 and we remand the application to the examiner for further examination.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a) (1) (iv).

REVERSED,
37 CFR § 41.50(b)
and REMAND

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